



Memorandum

TO: CITY COUNCIL

FROM: Mayor Chuck Reed
Vice Mayor Madison Nguyen
Councilmember Sam Liccardo
Councilmember Donald Rocha

SUBJECT: SEE BELOW

DATE: October 16, 2014

Approved: Chuck Reed Date: 10/16/2014
Madison Nguyen Sam Liccardo Don Rocha

SUBJECT: REZONING AND PREZONING THE REAL PROPERTY LOCATED ON THE SOUTH SIDE OF UNION PACIFIC RAILROAD TRACKS, WEST OF HILLSDALE AVENUE, NORTHERLY OF ADELINE AVENUE AND ALTINO BOULEVARD, AND EASTERLY OF HIGHWAY 87 AT THE TERMINUS OF CAROL DRIVE. (COMMUNICATIONS HILL 2 PROJECT)

RECOMMENDATION:

1. Approve a Planned Development Rezoning from A (PD) Planned Development and A-Agriculture and Pre-zoning from unincorporated County to A (PD) Planned Development Zoning District for the proposed development of up to 2,200 residential units including single family attached and detached and multi-family units; up to 67,500 square feet of mixed use retail/commercial space; up to 1.44 million square feet of industrial park uses; parks, trails, a school site, and related off-site public infrastructure of an approximately 331.6 acre-site.

2. Direct staff to continue to work with the developer and property owner to implement the following recommendations:

- Grand Staircase:
 - a. Fund security services through the existing Community Facilities District (CFD);
 - b. Establish and enforce a dusk to dawn curfew; and
 - c. Install pedestrian traffic control devices such as sally ports, gates, or bulb outs.
- Transportation
 - d. Establish shuttle service to the Light Rail and Caltrain stations to serve both existing and future residents as soon as possible.
- Jobs
 - e. Establish retail, industrial development, and other job generation at the earliest possible opportunity.

BACKGROUND:

The Communications Hill Specific Plan adopted in 1992 guides the development of a high-density, pedestrian-oriented, mixed use community on a 500-acre hill in central San Jose. A total of 4,700 units were approved for development of which 2,500 units are already built and occupied. This action relates to Phase 2 which includes the development of up to 2,200 residential units, 67,500 square feet of commercial space, and 1.4 million square feet of industrial space. The project also includes multiple trail connections, 28 new staircases, four new parks, 126 acres of open space, and land dedicated for a new school. Phase 2 is planned to be built in a phased approach.

The proposed development has been analyzed for environmental, traffic, noise, air quality, and a number of other impacts on the surrounding community. Several major mitigation measures will be implemented during the course of project development. The developer and property owner are expecting to invest \$160 million in planned infrastructure improvements, of which \$30 million will go directly to transportation improvements along Curtner, Narvaez, and Highway 87. Other proposed mitigations include shuttle and bus service to light rail and Caltrain stations close to the project site, which are expected to reduce vehicle traffic and encourage public transit use.

While we applaud the vision and past and future investments of the property owner and the developer, we need to be mindful of the current challenges on the hill so that we do not repeat the same mistakes. The extensive use of the Grand Staircase by residents throughout the region has been our biggest challenge and relieving the challenges this has caused to residents currently residing on the hill should be a top priority. Residents are frustrated with the degree of activity seen on the stairs at virtually all hours of the day. In addition, other problems such as litter, smoking, tagging, noise, and indecent behavior are reported frequently to our offices. These problems have persisted for years, and need to be ameliorated as soon as possible. The City, developer and property owner must address these complaints now.

Implementing a dawn to dusk only use of the Grand Staircase should be our first priority. This will undoubtedly help deter loitering and noise. If the staircase needs to be transferred to the Parks, Recreation, and Neighborhood Services Department or the Home Owner's Association to have a curfew, then that process should be started immediately. A second priority should be the installation of pedestrian traffic control devices to moderate traffic and reduce the attraction of the stairs as an exercise destination. The Community Facilities District that was created to fund certain on-going maintenance operations does not allow the funding of security services. Modifying the CFD to fund safety services will ensure the enforcement of the dawn to dusk use of the staircase. These recommendations should also be pursued as the Phase 2 development occurs to ensure that all of the proposed new trails, staircases, plazas, and parks will add value to the quality of life of current and future residents.

On September 30, 2014 the City Council certified the Final SEIR and adopted an Area Development Policy in relation to the Phase 2 development. At the Council hearing, we directed staff to pursue opportunities to generate jobs as quickly as feasible, and to implement the shuttle program sooner than later, in order that the goals of the Specific Plan for creating a truly mixed use, pedestrian-oriented community would be met. We want to reinforce this direction again. It is not sufficient that "shuttle bus routes may be identified by the time of PD-permits" or that "alternative shuttle bus access connecting the hilltop with light rail and Caltrain stations be studied no later than the approval of certificates of occupancy for 50% of the housing units." The master development plan approvals should condition the implementation of the shuttle sooner than later. The same goes for job generation uses on the hill. Phase 2 includes the development of 67,500 square feet of retail and 1.44 million square feet of industrial space. We must get as much protection as we can on the job generation goals of the Specific Plan and General Plan.